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June 2, 2023

Via ECF

The Honorable Sean H. Lane,  
U.S. Bankruptcy Court for the Southern District of New York,  
300 Quarropas Street,  
White Plains, NY 10601.

Re: In re Genesis Global Holdco, LLC, et al.,  
Case No 23-10063 (SHL)

Dear Judge Lane:

We write on behalf of FTX Trading Ltd. and its affiliated debtors and debtors-in-possession (the “FTX Debtors”) in the jointly administered Chapter 11 proceedings pending in the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”), Case No. 22-11068, to request a status conference in the above-captioned cases on June 5, 2023 at 11:00 a.m. ET<sup>1</sup> with respect to the *Motion To Establish Procedures and a Schedule for Estimating the Amount of the FTX Debtors’ Claims Against the Debtors Under Bankruptcy Code Section 105(a) and 502(c) and Bankruptcy Rule 3018*, ECF No. 373 (the “Estimation Procedures Motion”), filed by Genesis Global Capital, LLC and its affiliated debtors and debtors-in-possession (the “Genesis Debtors”).

On May 3, 2023, the FTX Debtors filed with this Court the *Motion of FTX Trading Ltd. and its Affiliated Debtors for an Order Modifying the Automatic Stay Pursuant to 11 U.S.C. 362(d)(1) and Bankruptcy Rule 4001*, ECF No. 289 (the “Lift Stay Motion”), seeking to modify the automatic stay for the limited purpose of permitting the FTX Debtors to commence adversary proceedings to adjudicate and liquidate their preference and other avoidance and related claims against the Genesis Debtors.

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<sup>1</sup> As Your Honor is aware, a hearing is scheduled to be held at this time on other matters in these cases, including the Genesis Debtors’ contested *Notice of Filing of Proposed Amended Consensual Order Extending Mediation*, ECF No. 350 (to which the FTX Debtors have objected).

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Well prior to filing the Lift Stay Motion, the FTX Debtors reached out to counsel to the Genesis Debtors to inform them of the FTX Debtors' intent to assert significant prepetition claims against the Genesis Debtors and to propose mediation between the parties. The FTX Debtors did not receive any response to their mediation proposal.

Then, just prior to filing the Lift Stay Motion, the FTX Debtors again reached out to counsel to the Genesis Debtors to notify them of the forthcoming motion and the assertions in the motion.

The FTX Debtors initially noticed a hearing on the Lift Stay Motion for May 25, 2023. Shortly after the filing of the motion, the Genesis Debtors requested the FTX Debtors' consent to an adjournment of the hearing to allow the Genesis Debtors to focus their efforts on mediation with other parties in interest in these cases. The FTX Debtors voluntarily consented in the spirit of good-faith cooperation and the hearing was reset for June 15, 2023.

Then, at 11:55 p.m. ET on June 1, 2023, without providing any advance notice to the FTX Debtors, the Genesis Debtors filed the Estimation Procedures Motion, setting a hearing on that motion to coincide with the reset hearing on the Lift Stay Motion (and an objection deadline just seven days from the filing of the motion).

The FTX Debtors submit that the Estimation Procedures Motion is premature and should be adjourned *sine die*. *First*, the Estimation Procedures Motion seeks to estimate the FTX Debtors' claims at \$0.00 as "critical" to avoid "undue delay" and "expeditiously pursue confirmation of a Chapter 11 plan." The Genesis Debtors' purported Chapter 11 plan, however, remains undisclosed, hypothetical and under secret negotiation only among the mediation parties hand-selected by the Debtors (in a mediation to which the FTX Debtors have not been invited). In the absence of a proposed plan structure and a corresponding confirmation timeline that could theoretically serve as a basis for the Estimation Procedures Motion, there is no legal basis for the Estimation Procedures Motion and it should not be heard.

*Second*, the Estimation Procedures Motion should not be heard until the Court has ruled on the Lift Stay Motion. Importantly, if the Court grants the Lift Stay Motion, the Estimation Procedures Motion will be mooted (in whole or in part) as the FTX Debtors expect to promptly commence actions in the Delaware Bankruptcy Court to liquidate their avoidance claims against the Genesis Debtors. In the event the Court denies the Lift Stay Motion, the parties can consider and discuss fair and equitable alternative paths to liquidate the FTX Debtors' substantial claims in these cases.

*Third*, the Genesis Debtors' unconstructive attempt to have the Estimation Procedures Motion heard on the shortest possible notice is procedurally prejudicial to the

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FTX Debtors, in particular in light of the FTX Debtors' various good-faith accommodations to date described above. The Estimation Procedures Motion raises a number of important procedural and substantive issues, including (i) the factual predicates for the Genesis Debtors' assertions that the estimation of the FTX Debtors' claims is required under the facts and circumstances, (ii) whether the FTX Debtors' avoidance claims are subject to estimation pursuant to section 502(c), and (iii) the scope of discovery and briefing being proposed by the Genesis Debtors. The FTX Debtors should not be required to probe these issues (including, if necessary, through discovery of the Genesis Debtors) and file an objection to the motion on only seven days' notice, especially when there is no proposed plan on file and the Genesis Debtors are seeking to continue their plan mediation until after the June 15 hearing date.

Accordingly, the FTX Debtors request that the Court hold a status conference at June 5, 2023 at 11:00 a.m. ET to consider adjournment of the Estimation Procedures Motion *sine die*, subject to a further scheduling conference, if necessary, at the appropriate time.

Sincerely,

/s/ Brian D. Glueckstein  
Brian D. Glueckstein

cc: Sean A. O'Neal  
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